

# THE TAXPAYER

Canadian Federation of National and Provincial Taxpayers

A taxpayer's relief — Ken Dillen

## What Can A Guy Do?

I was having coffee with my old buddy Arnie the other day. Arnie is an ardent fisherman, hunter, camper, and all-around good guy, but he takes exception to almost everything. The one thing that irritates him the most, is what he describes as the politicians' "insatiable appetite for more tax dollars".

The other day I asked him, "Arnie, besides complaining all the time, what do you do about it?"

"Well, what can anyone do about it?" he defensively replied.

"Arnie," I told him, "I was the same as you. I watched politicians, of all stripes, start by taxing us to the limit. Then, when there was nothing left to tax, they commenced to borrow us into the poorhouse."

"Let me put it this way," I continued. "Politicians have an overwhelming desire to be desired. In order to continue to be desired, they buy your loyalty with your own money." His eyes opened pretty wide and the other people in the coffee shop had stopped talking and were trying to listen without being too obvious.

"Look," I said, "politician 'A' comes to our town and says, 'Elect me, and I'll build you a hospital.' A few days later, politician 'B' comes to town, calls politician 'A' a cheapskate, and says if you elect him, he'll build a bigger hospital, throw in a school, and pave every road. Then along comes politician 'C'. He says he'll do all of the above and what's more, he'll establish a social-safety-net so that anyone who won't work or can't work will still be kept."

I could see Arnie was beginning to grasp my message. He confirmed my hunch by saying, "The big question is, Who pays?"

"You got it," I said. "It's guys like you and me, and our neighbours in this coffee shop, who eventually pay the bills

for the politicians' promises."

"That's right!" he exclaimed, driving his index finger into the air to emphasize the point.

"Now the question is, what can little guys like us do about it?"

"Well," I said, "I'll tell you what I've done. This little guy has joined in with the thousands of others who are supporting the Taxpayers Association. The Association has clearly defined objectives. It promotes the responsible and efficient use of tax dollars, provides the public with easily-understandable information about government spending. And the Association is trying to force politicians to embrace the concept of wealth creation, instead of wealth consumption."

"Arnie, in my lifetime, I've seen hundreds of politicians. I was an MLA once, remember? Almost every politician when seeking election, leaves the impression that he has all the answers to all the problems in the world. But the moment he's elected, his main priority is his own survival."

"Unfortunately, for those of us who pay the bills, most politicians would mortgage our heritage and sell our birth-right to get hold of power and hold onto it. Our country really needs groups who will speak out on behalf of those who pay the bills and who may have resigned themselves to a state of hopelessness and helplessness. That's why I'm supporting the Taxpayers Association."



*Ken Dillen is a former MLA from the Province of Manitoba, and a member of the Association's Advisory Board.*

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## Auditor General's Corner

# The Government Goes Drag-Racing

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The following is excerpted verbatim from the 1990 Auditor General's Report to Parliament. These funds were released from *Western Economic Diversification and Regional Industrial Expansion*.

*An Alberta company received \$99,900 in Industrial and Regional Development Program funding toward the development of an engine turbocharger. Total project costs of \$312,600 included the purchase and rebuilding of a dragster for testing the turbocharger. Two departments were involved in the project: the Department of Regional Industrial Expansion (DRIE) during the approval and initial funding stages and the Department of Western Economic Diversification (DWED) for the final contribution payments. The initial assessment of this project by DRIE did not address some key issues. Final payments totalling \$26,884 were made by DWED even though a report required by the agreement, containing technical results and benefits obtained, was not requested.*

**3.147** In August 1985, under the Industrial and Regional Development Program (IRDP), the Department of Regional Industrial Expansion approved a contribution of \$99,900 to an Alberta company for a project to develop an improved turbocharger for automobile engines. It was to be efficient through the entire performance range, and the application showed a target market in automobile wholesale and retail stores in Canada, the United States, and Great Britain. DRIE's file contains no market analysis of the original submission or a further proposed development phase, and it is unclear whether the project was intended for general use or for the more limited speed market. Total project costs of \$312,600 covered development of the turbocharger as well as the purchase and reconstruction of the dragster. DRIE made an initial payment of \$73,016 in February 1987. All expenditures by the company on the project took place between July 1985 and February 1987.

**3.148** The statement of work in the agreement sets out technical objectives for the project. Even though the agreement required the applicant to submit reports satisfactory to the Minister, neither department translated the technical objectives into a reporting format, against which the results of the project could be measured.

**3.149** DRIE had referred the project to the National Research Council for advice, but it did not deal with the concerns expressed by the NRC. The NRC pointed out that retrofitting engines not designed for turbocharging could be dangerous and of limited value for general automotive use. It noted that if the project was aimed at special purpose vehicles, such as dragsters or stock cars, a different market estimation would be needed.

**3.150** The prototype turbocharger was tested on racetracks in the United States in a dragster with a 488 cubic inch, or eight-litre, displacement engine.

**3.151** In August 1987, the government established the Department of Western Economic Diversification. This new department became responsible for the IRDP and some other existing programs previously administered by DRIE in the West. The turbocharger project was one of those transferred to DWED.

**3.152** In January 1989, DWED made a second payment of \$16,894. At this point, although the applicant had made all its project expenditures, it had not provided the Department with information specified in the monitoring section of the agreement. That section required progress reports every three months and a final report containing a summary of the technical results and a description of the benefits that had accrued. Only two progress reports were received, both in 1986. The applicant did not submit a final report and the Department requested no further technical results or benefits information.

**3.153** DWED discovered in March 1989 that the prototype turbocharger had been destroyed in 1987. The contribution agreement required the company to notify the Department in writing if the turbocharger were sold, leased or otherwise disposed of. This was not done. Nonetheless, in March 1989 DWED made the final payment of \$9,990.

# The Federal Budget

*In Thousands of Millions of Dollars*

Year	Revenues	Spending	Surplus (Deficit)	National Debt
1956/57	\$5,582	\$527	\$325	\$11,446
1957/58	\$5,456	\$5,652	(\$196)	\$11,642
1958/59	\$5,159	\$6,036	(\$877)	\$12,519
1959/60	\$5,896	\$6,496	(\$600)	\$13,119
1960/61	\$6,322	\$6,851	(\$529)	\$13,648
1961/62	\$6,486	\$7,416	(\$948)	\$14,596
1962/63	\$6,662	\$7,495	(\$833)	\$15,429
1963/64	\$7,099	\$8,268	(\$1,169)	\$16,598
1964/65	\$8,220	\$8,535	(\$315)	\$16,913
1965/66	\$8,995	\$8,652	\$303	\$16,610
1966/67	\$9,752	\$9,939	(\$187)	\$16,797
1967/68	\$10,637	\$11,348	(\$711)	\$17,508
1968/69	\$11,939	\$12,339	(\$400)	\$17,908
1969/70	\$14,291	\$13,959	\$322	\$17,576
1970/71	\$14,874	\$15,654	(\$780)	\$18,356
1971/72	\$16,511	\$18,053	(\$1,542)	\$19,898
1972/73	\$19,097	\$20,772	(\$1,675)	\$21,573
1973/74	\$22,322	\$24,321	(\$1,999)	\$23,572
1974/75	\$29,143	\$31,152	(\$2,009)	\$25,581
1975/76	\$31,549	\$37,286	(\$5,737)	\$31,318
1976/77	\$34,300	\$40,597	(\$6,297)	\$37,615
1977/78	\$34,518	\$44,944	(\$10,426)	\$48,041
1978/79	\$36,866	\$49,483	(\$12,617)	\$60,658
1979/80	\$41,921	\$53,422	(\$11,501)	\$72,159
1980/81	\$48,775	\$62,297	(\$13,522)	\$85,681
1981/82	\$60,001	\$74,873	(\$14,872)	\$100,553
1982/83	\$60,075	\$88,521	(\$27,816)	\$128,369
1983/84	\$64,211	\$96,610	(\$32,399)	\$160,768
1984/85	\$70,891	\$109,215	(\$38,324)	\$199,092
1985/86	\$76,830	\$111,234	(\$34,404)	\$233,496
1986/87	\$85,783	\$116,388	(\$30,605)	\$264,101
1987/88	\$96,100	\$125,300	(\$29,300)	\$293,400
1988/89	\$103,300	\$132,300	(\$28,900)	\$322,500
1989/90	\$112,400	\$142,500	(\$30,500)	\$353,000
1990/91	\$120,750	\$151,250	(\$30,500)	\$383,500
1991/92	\$128,500	\$159,000	(\$30,500)	\$414,000

**Federal Grants**

# Grants to Foreign Publishing Houses

These grants were all made by the federal government's arts and cultural funding agency, the Canada Council. Our intent in publishing these grants is not to be critical of any individuals, businesses, or organizations. Rather, we believe it to be a part of our mandate to make taxpayers aware of the many ways in which their money is spent. These grants are a small sample of the many made for such purposes.

We have listed the publisher, the translator, and the name of the book, and author. In each case, the purpose of these grants was to translate a book from one of Canada's "official" languages to a foreign language. The budget of the Canada Council is roughly \$100 million.

Total	Publisher: City	Subtotal	Translator	Title, Author
\$4,228	Publicações Dom Quixote; Lisboa		Maria José Jorge	<i>The Engineer of Human Souls</i> , Josef Skvorecky
\$3,833	An Dekker; Amsterdam		Edith van Dijk	<i>A Jest of God</i> , Margaret Laurence
\$10,932	Van Gennep bv; Amsterdam	\$6,540	Joop van Helmond	<i>The Apprenticeship of Duddy Kravitz</i> , Mordecai Richler
		\$4,392	Corine Wepster	<i>Desert of the Heart</i> , Jane Rule
\$8,769	Alianza Editorial; Espana		Irrutia, Isabel	<i>Le Matou</i> , Yves Beauchemin
\$8,598	Aliorna S.A. Editorial; Spain	\$1,505	Araceli Bruch	<i>Casse-tête chinois</i> , Robert Soulières
		\$1,346	Helena Carbonell	<i>Frozen Fire</i> , James Houston
		\$1,448	Gil Lasierra	<i>Black Diamonds</i> , James Houston
		\$1,346	Gil Lasierra	<i>Frozen Fire</i> , James Houston
		\$1,448	Aurelia Manils	<i>Black Diamonds</i> , James Houston
		\$1,505	Caterian Molina	<i>Casse-tête chinois</i> , Robert Soulières
\$3,648	Altiora Publishers; Belgium	\$1,754	Roger Vanbrabant	<i>The Doll</i> , Cora Taylor
		\$1,894	Karel Verleyen	<i>Log Jam</i> , Monica Hughes
\$6,951	Bladkompaniet A.S.; Norway	\$894	Else Marie Erichson	<i>Murder on the Canadian</i> , Eric Wilson
		\$1,092	Olaf Jensen	<i>Disneyland Hostage</i> , Eric Wilson
		\$993	Einar Rustad	<i>The Ghost of Lunenburg Manor</i> , Eric Wilson
		\$993	Einar Rustad	<i>The Kootenay Kidnapper</i> , Eric Wilson
		\$993	Einar Rustad	<i>The Vampires of Ottawa</i> , Eric Wilson
		\$1,092	Ann-Margritt Saevold	<i>Spirit in the Rainforest</i> , Eric Wilson
		\$894	Ann-Margritt Saevold	<i>Vancouver Nightmare</i> , Eric Wilson
\$3,188	Ediciones Union; Cuba		José Rodrigues Feo	<i>Cuba's Nicholas Guillen</i> , Keith Ellis
\$1,877	Editrice Ancora; Milano; Italie		Achille Palazzini	<i>Les voiliers du crépuscule</i> , Claude Labrecque
\$2,400	Globus Publishers; Yugoslavia	\$1,200	Nedeljka Paravic	<i>The Handmaiden's Tail</i> , Margaret Atwood
		\$1,200	Nedeljka Paravic	<i>Surfacing</i> , Margaret Atwood
\$8,999	Gummerus Oy; Finland		Hanno Vammelvuo	<i>Famous Last Words</i> , Timothy Findley
\$5,875	Gyldendal Norsk Forlag; Norway		Brit Jahr	<i>Duet for Three</i> , Joan Barfoot
5,068	Holkenfeldts Forlag A/S; Denmark		Karen Mathiassen	<i>My Present Age</i> , Guy Vanderhaegue
\$2,693	Interculture; Sweden		Corddelier, Valdelin	<i>La Guerre, Yes Sir</i> , Roch Carrier
1,000	Joan Boldo i Climenti, Editores; Mexico		Monica Mansour	<i>Mon Pays Que Voici</i> , Anthony Phelps
\$6,427	J.W. Cappelens Forlag; Norway		Unni Eri	<i>The Progress of Love</i> , Alice Munro
\$6,608	Klett-Cotta; West Germany		Helga Huisgen	<i>The Progress of Love</i> , Alice Munro
\$10,000	Minerva Press; Japan		Masako, Takamura	<i>Tangled Loyalties</i> , Jack Granatstein et al
\$2,516	Pandora; Belgium		Marleen de Geest	<i>L'enfant aux yeux pâles</i> , Lorraine LeMay
\$8,000	Shisakusha Publishers; Japan		Fumitaka Noda	<i>Call Mama Doctor</i> , Louise Jilek-Aal
\$6,721	Sommer & Sorensen; Denmark	\$1,483	Erik Jensen	<i>Disneyland Hostage</i> , Eric Wilson
		\$1,210	Erik Jensen	<i>The Kootenay Kidnapper</i> , Eric Wilson
		\$1,427	Erik Jensen	<i>Spirit in the Rainforest</i> , Eric Wilson
		\$998	Erik Jensen	<i>Vampires of Ottawa</i> , Eric Wilson
		\$1,603	Torben Nilsson	<i>The Baitchopper</i> , Silver Donald Cameron
\$1,200	Vikendrit; New Delhi, India		Narenderpal Singh	<i>The Immigrants</i> , Stephen Gill
\$2,209	J.W. Eides Forlag; Bergen, Norway		Liv Margareth Alver	<i>Sweetgrass</i> , Jan Hudson

**Federal Grants****Grants to Foreign Publishing Houses**

Total	Publisher: City	Subtotal	Translator	Title, Author
\$3,588	Tel Aviv University; Tel Aviv	\$1,794	David Zinder	<i>Blood Relations</i> , Sharon Pollock
		\$1,794	David Zinder	<i>Crackwalker</i> , Judith Thompson
\$5,328	Alianza Editorial, S.A.; Madrid		de la Cadena	<i>Famous Last Words</i> , Timothy Findley
\$1,668	Altiora Publishers; Averbode, Belgium		Roger Vanbrabant	<i>Julie</i> , Cora Taylor
\$5,781	Ambo B.V.; Baqrn, Netherlands		Peter Bergsma	<i>Nadine</i> , Matt Cohen
\$14,000	Busse Seewald; Herford, Germany		Elmar Engel	<i>Bear Attacks</i> , Stephen Herrero
\$205	Carlsen/if; Stockholm, Sweden		Love Kellberg	<i>The Sorcerer's Apprentice</i> , Robin Muller
\$3,947	Centrum; Viby, Denmark		Møller-Madsen	<i>Dancing in the Dark</i> , Joan Barfoot
\$4,800	Chr. Erichsens Forlag; Copenhagen		Karen Mathiasen	<i>World of Wonders</i> , Roberson Davies
\$3,202	Forlaget Freemand; Copenhagen		Ole Henrik Kock	<i>The Empty Chair</i> , Bess Kaplan
\$1,686	La Galera, S.A., Editorial; Barcelona	\$843	Gatell Comas	<i>Le Record de Philbert Dupont</i> , Raymond Plante
		\$843	Alvar Vall	<i>Le Record de Philbert Dupont</i> , Raymond Plante
\$4,905	Hekla Publishers; Copenhagen		Møller-Madsen	<i>The Progress of Love</i> , Alice Munro
\$4,273	Hernovs Forlag; Copenhagen		Mona Moltke	<i>Not Wanted on the Voyage</i> , Timothy Findley
\$4,190	Information Publishers Aps; Copenhagen		Møller-Madsen	<i>The Stone Angel</i> , Margaret Laurence
\$6,992	J.W. Cappelens Forlag; Oslo		Unni Eri	<i>No Fixed Address</i> , Aritha van Herk
\$19,282	Otava Publishing; Helsinki		Leevi Lehto	<i>The Engineer of Human Souls</i> , Josef Skvorecky
\$5,000	Schwann-Bagel; Düsseldorf		Christopher Terry	a collection of articles and interviews
\$7,500	Shanghai Translation; Shanghai		Xu Buzeng	<i>From China to Canada</i> , Edgar Wickberg
\$2,826	Sjostrands ; Vallingsby, Sweden		Oje vind Lang	<i>Shadow in Hawthorne Bay</i> , Janet Lunn
\$17,888	Tammi Publishers; Helsinki	\$11,035	Marja Alopaeus	<i>What's Bred in the Bone</i> , Robertson Davis
		\$6,853	Kristiina Rikman	<i>The Progress of Love</i> , Alice Munro
\$5,984	Bert Bakker; Amsterdam		Gideon den Tex	<i>The Edible Woman</i> , Margaret Atwood
\$4,834	Viihdeviikarit Oy; Hyvinkää, Finland		Kari Nenonen	<i>Rosegarden</i> , Kurt Palka
\$4,565	Uitgeverij Thoth, Rotterdam		Pauline Sarkar	<i>Les Fous de Bassan</i> , Anne Hébert
\$2,239	AB Raben & Sjogren ; Stockholm		Mona Erikson	<i>Sweetgrass</i> , Jan Hudson
\$2,573	Alianza Editorial; Madrid, Spain		Gian Castelli-Gair	<i>The Bass Saxophone</i> , Josef Skvorecky
\$2,173	Ateneo de Caracus; Caracus, Venezuela		Chaudé, Tambascio	<i>Le Printemps, Monsieur Deslauriers</i> , R. Dubois
\$3,234	B. Wahlstroms; Stockholm	\$1,078	Solveig Rasmussen	<i>As Ever Booky</i> , Bernice Thurman-Hunter
		\$1,078	Solveig Rasmussen	<i>That Scatter-Brain Booky</i> , Bernice Thurman-Hunter
		\$1,078	Solveig Rasmussen	<i>With Love From Booky</i> , Bernice Thurman-Hunter
\$10,670	Brombergs Bokforlag; Stockholm		Johan Malm	<i>The Engineer of Human Souls</i> , Josef Skvorecky
\$2,411	Editora Marco Zero; Rio de Janeiro		Marcia Serra	<i>The Handmaiden's Tale</i> , Margaret Atwood
\$3,000	Edizione Felina Libri; Rome, Italie		Luisa Muraro	<i>La Lettre aérienne</i> , Nicole Brossard
\$5,785	Forum Publishers; Stockholm	\$3,546	Thomas Preis	<i>My Present Age</i> , Guy Vanderhaegue
		\$2,239	Gun Zetterstrom	<i>Dancing in the Dark</i> , Joan Barfoot
\$2,105	Gyldendal Norsk Forlag; Oslo		Ole Jacob Bull	selected short stories, Norman Levine
\$3,980	Husets Tester; Copenhagen		Lars Willum	<i>A Toi pour toujours ta Marie-Lou ...</i> , Michel Tremblay
\$6,455	Le'Dory Publishing House; Tel Aviv		Arye Hashavia	<i>Le Matou</i> , Yves Beauchemin
\$1,033	Tellerup ; Hellerup, Denmark		Karen Lis Wissum	<i>Treasure of the Long Sault</i> , Monica Hughes
\$1,837	Unieboek B.V.; Houten, Netherlands		Ernst van Altena	<i>Almost Japanese</i> , Sarah Sheard
\$7,607	Adelphi Edizione; Milan, Italy	\$2,492	Giuseppe Dierna	<i>The Bass Saxophone</i> , Josef Skvorecky
		\$5,115	Anna Bassan Levi	<i>The Glenn Gould Reader</i> , Glenn Gould
\$707	Oy Weillin & Göös; Espoo, Finland		Kaiji Pakkanen	<i>They Sought a New World</i> , William Kurelek
\$144	Attialat; Stockholm, Sweden		Heidi von Born	an anthology of Canadian poetry
\$2,960	Boje Verlag GmbH; Stuttgart		Wulf Teichmann	<i>Uncle Jacob's Ghost Story</i> , Donn Kushner
\$5,604	Bokförlaget Prisma; Stockholm		Maria Ekman	<i>The Handmaiden's Tale</i> , Margaret Atwood
\$1,500	Bulzoni Editore; Rome, Italy		Alfredo Rizzardi	selected poems, Margaret Atwood
\$238	C. de Vries-Brouwers; Antwerp		A. de By-Benders	<i>They Sought a New World</i> , William Kurelek
\$402	Carlsen/if; Stockholm		Britt Isaksson	<i>They Sought a New World</i> , William Kurelek

### **Responsibility — Kevin Avram**

## **What Came First: the Chicken or the Egg?**

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Every time I try to figure out who's responsible for the decline in the political standards of Canada, and who's responsible for the fiscal mess we are facing as a nation, and as a province, I always think about the chicken and egg argument. You know the one I mean: Which came first; the chicken or the egg? It's in that same sense, that I ask myself, who's responsible for Canada's fiscal and political decline; the people or the politicians?

In the past, I always thought it was the politicians fault, and although I still think that, I've increasingly come to understand that it is equally the fault of the people.

Last week I was invited to speak at a Chamber of Commerce meeting on the topic of government fiscal policy, and the state of our provincial affairs. After reiterating to the crowd what the process had been, what the problem was, and how serious the issues are that we're facing, I asked this question: "Who is it that you are entrusting your future to? Who are you relying on for the wellbeing of our province and our nation?"

"Are you believing that the wellbeing of the province, and your family, will be taken care of by politicians? Have you placed all your expectations and hopes on them?" I asked.

I could tell I had gotten the attention of a few people, so I went on. "Do you have any personal responsibility for the way things are," I said. "I'm not talking about some fuzzy notion about being a good citizen, I'm talking about personal responsibility. Personal obligation."

I closed out my talk, by reminding people that a society is

made up of many parts, and that each part has a responsibility to the whole. I tried to be as careful as I could, as I didn't want to offend anyone, but I certainly tried to demonstrate that the problems we face as a nation and as a province are their problems. The problems are their responsibility, and if they don't begin to contribute to the solutions, there aren't going to be any.

"What can I do about it? one lady asked, "How can I do anything about the mess we're in?"

"The first question you have to answer", I replied, "Is not what you can do, but if you have responsibility to do something".

"Yeah, I would say I do," she said.

Having gotten her to understand that, we then went on to discuss several different ways that she, as a housewife and mother, could contribute to the public debate process. We determined that she could get better informed, and that she could write letters to the editor of her local paper, proposing answers to some of these questions. She admitted that although she hadn't ever done it in the past, she thought she should be writing letters to certain politicians at times, and she also suggested that maybe she had some responsibility not to complain or to teach her children to complain.

The meeting went fairly late that night, and for me, it was a long drive home in the dark. However, on the way, I hummed a little tune, said a prayer of thanks, and felt a deep sense of satisfaction. We had added a few more people to the ranks of those who'll be part of the solution, instead of sitting on the sidelines, or worse, being part of the problem.

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### **Horse Laughs**

*Columnist Dalton Camp, commenting in the Toronto Star on the recent budget crisis in Washington:*

*"Up here, in the horse-laugh latitudes, the government ran out of money 20 years ago; no one noticed."*

### **Free Speech**

*David Kilgour, Member of Parliament who was expelled from the Progressive Conservative caucus for his opposition to the Goods and Services Tax, quoted from MacLean's, January 7.*

*"Experts tell me we have the most rigid system of maintaining party discipline in the world. The fact of the matter is that many politicians in Eastern European countries and the Soviet Union now have more freedom to speak their minds than members of the Canadian parliamentary caucus."*

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## Evans Transferred to Alberta

Morley Leonard Evans, Director of Communications and Research for the *Canadian Federation of National and Provincial Taxpayers*, has accepted a transfer to the *Federation's* Edmonton office from its office in Regina.

As well as his on-going duties with the *Federation*, Evans will focus his attention on the increasing research requirements of the *Association of Alberta Taxpayers*, the *Federation's* fast-growing affiliate in Alberta.

Evans has a long and varied background in issues that directly concern taxpayers. After a number of years working to effect change through electoral politics, he left his real estate construction business in Regina to take a position with a tax-limitation group in Vancouver in 1980.

From 1984 to 1987, Evans was retained to conduct several research projects for the *Government of Saskatchewan*. At *Saskatchewan Social Services*, he completed three studies related to the costs of: the department's transportation system; its central-office telephone system; and the *Valley View Continuing Care* facility's switchboard operation.

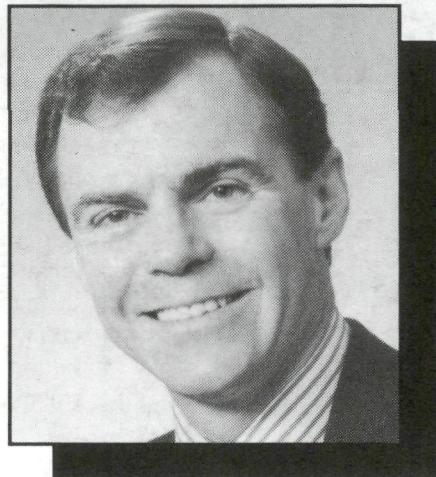
In 1985, Evans completed a thorough analysis and evaluation of Saskatchewan's rent control formula for *Saskatche-*

*wan Consumer and Corporate Affairs* and after examining its alternatives, recommended that rent control be abolished. In 1986, he was the Recording Secretary of the *Task Force on Urban Assessment*. In 1987, Evans developed a computer model which he used to analyse *Saskatchewan's* demographics for *Saskatchewan Urban Affairs*.

In 1988, Evans completed a year-long fellowship at the *Reason Foundation*, in Santa Monica, California, where he conducted a study comparing the cost of services provided by in-house and contract forces employed by the *County* and the *City of Los Angeles*.

In 1989, Evans returned to Saskatchewan to accept the position of Director of Research for the *Institute for Saskatchewan Enterprise* where he completed a number of studies, notably the design and supervision of an evaluation of the province's investment in the *Potash Corporation of Saskatchewan*.

He joined the *Association of Saskatchewan Taxpayers* in May of 1990 to provide the organization with research and communications expertise.



### Edmonton Journal

## Taxpayers' group get up in arms

Alberta MLAs may collect severance pay ranging from \$31,000 to nearly \$63,000 if they're defeated or resign in the next provincial election, says a taxpayers group.

The availability of such a generous golden handshake for MLAs sets a poor example when governments are preaching restraint, says Kevin Avram, executive director for the Canadian Taxpayers Federation.

"It's the responsibility of politicians to lead the way as far as restraint and to walk into \$60,000 or \$70,000 at the end of your term wouldn't be seen by the average person as being all that prudent," he says.

The severance pay, known as a "re-establishment allow-

ance" was created in 1988 by an all-party members' services committee of the legislature. Some former MLAs have already collected.

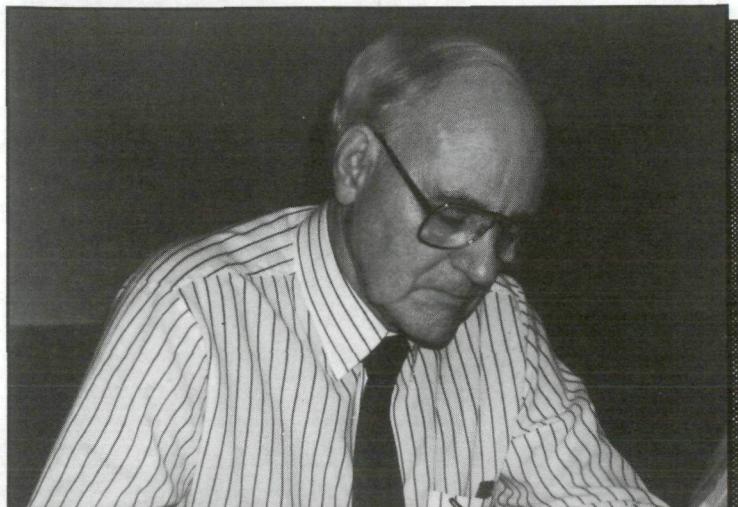
Nearly 30 longtime MLAs including Premier Don Getty and Opposition Leader Ray Martin would collect the top pay of up to \$62,832 if they retire or are defeated in a 1994 election, says Avram.

Liberal Leader Laurence Decore and Barrie Chivers, the recently elected New Democrat MLA for Strathcona, would be among another 25 MLAs pocketing the minimum sever-

(see page 10)

# Who Are The Taxpayers a

The Canadian Federation of National and Provincial Taxpayers is a federally incorporated non-profit organization whose mission is three-fold: to promote the efficient use of tax dollars; to inform Canadian taxpayers how their money is being spent; and to promote constructive change.



## Freedom of Information:

Director Art Fox is a retired businessman, a 20-year veteran of the RCMP, and the Past President of the RCMP Veterans Association. Art has been involved with numerous public service organizations, is the past president of the Canadian Paraplegic Association, and works extensively with youth.

The Federation established its first provincial affiliate, the Association of Saskatchewan Taxpayers, in May of 1989. The Taxpayers expanded into Alberta by the fall, and by 1990 its support-base included a sizable number of taxpayers in Manitoba as well as a few in Ontario and B.C.

This steady growth has been the result of a program of careful organization-building through the efforts of concerned citizens from across the political spectrum who share the common objective of solving some of Canada's problems.

Several important, but achievable goals have been set for the Federation. These goals include the following measures which are vital to a properly functioning democracy: freedom of information legislation at the provincial level (FOI); balanced budget laws (like *Resolution One*); rehabilitation of political institutions (like Senate reform); and finding alternatives to tax-funded programs and services.

The Taxpayers weekly newspaper column, "Let's Talk Taxes", is distributed to 250 local newspapers throughout the West. Association supporters receive the bi-monthly newsletter,

*The Taxpayer*, which is chalk-full of information about how tax dollars are spent. Representatives from the Taxpayers have appeared on television and radio programs; have made presentations to public hearings such as the Senate Banking Committee; and have met with politicians who are both in and out of government. Periodically, the Taxpayers buys radio and newspaper advertising, and calls press conferences, to bring issues of importance to the attention of the public. The Taxpayers ongoing face-to-face canvass is an important means of directly reaching the average taxpayer, to find out what their concerns are, and provide them with a means to become involved in the process of change and constructive problem-solving.



## Resolution

"The federal government should ensure that all future increases in overall spending are exceeded by reductions in overall taxation."

Bob Matheson, an Edmonton lawyer, is the author of *Resolution One*, the proposal behind *Resolution One*. Matheson and a Fellow of the Order of Canada, is a member of the Canadian Federation of National and Provincial Taxpayers.



## The Taxpayers learn from developments

Chairman of the Board of the Canadian Federation of National and Provincial Taxpayers, Jim Baker, interviews the Hon. Roger Douglas, former Minister of Finance of Canada and Labour MP for twenty years and was a key member of the David Lange government's sweeping reforms "down under".

# **Association of Alberta Taxpayers, Inc.**

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**NEWS RELEASE NEWS RELEASE NEWS RELEASE NEWS RELEASE**

## **TAXPAYERS ASSOCIATION RELEASES REPORT ON POLITICAL SEVERANCE PAY**

The Association of Alberta Taxpayers says the province's MLAs are in line to receive huge cash payments, should they decide to quit, or if they are defeated at the time of the next provincial election.

Incorporated early last fall, the Association's mandate is to promote the responsible and efficient use of tax dollars, and to provide the public with information about government spending.

To that end, in addition to calling for a Freedom of Information Act, the Alberta Association, in conjunction with their umbrella group, the Canadian Taxpayers Federation, said, "It's been assumed by many that Alberta didn't have severance packages for politicians, but despite the fact that Alberta politicians refer to these payoffs as Re-establishment Allowances, the design of the Alberta packages is essentially the same as the severance packages Saskatchewan's politicians were forced to vote out of existence last week, due to overwhelming public anger."

The Association says that should MLAs decide to leave office, or be defeated at the polls, the leading money-getters at the time of the next election will be NDP leader Ray Martin, Premier Don Getty, and two dozen others who will receive between 60 and 70 thousand dollars.

The Association says Liberal Leader Lawrence Decore, Environment Minister Ralph Klein and New Democrat Jerry Doyle are among those who could pocket \$30,000 to \$35,000. Liberal Grant Mitchell, and New Democrat Pam Barrett are named among those who will receive \$40,000 to \$45,000, if they should quit or be defeated.

Gail Radford-Ross, a Research Associate with the Association of Alberta Taxpayers who helped compile the data, says the Association wants to see an end to such payoffs. "Politicians must lead the way when it comes to restraining government spending," she said, "and there's no better place for them to begin, than with their own perks."

The Association's report assumes that politicians will leave office midway through 1994, and that pay hikes for MLAs will average only 3 percent a year until then.

### **For more information:**

**Association of Alberta Taxpayers/Canadian Federation of National and Provincial Taxpayers;  
448-0159, Edmonton**

## Association of Alberta Taxpayers

# Political Severance in Alberta

The following is a list of payouts which will be received by Alberta MLAs, should they choose to quit, or should they be defeated in the next general election.<sup>1</sup> The calculations are based on the formula set out by the Member Service Committee of the Legislative Assembly.<sup>2</sup>

Adair, J. Allen	\$62,832	Fowler, Dick	\$31,416	Moore, Ron	\$62,832
Ady, Jack	\$41,888	Fox, Derek	\$41,888	Musgrove, Tom	\$62,832
Anderson, Dennis	\$62,832	Gagnon, Yolande	\$31,416	Nelson, Stan	\$62,832
Barrett, Pam	\$41,888	Gesell, Kurt	\$31,416	Oldring, John	\$41,888
Betkowki, Nancy	\$41,888	Getty, Don	\$62,832	Orman, Rick	\$41,888
Black, Patricia	\$31,416	Gileault, Gerry	\$41,888	Osterman, Connie	\$62,832
Bogle, Bob	\$62,832	Gogo, John	\$62,832	Pashak, Barry	\$41,888
Bradley, Fred	\$62,832	Hawkesworth, Bob	\$31,416	Pazkowski, Walter	\$31,416
Brassard, Roy	\$41,888	Hewes, Betty	\$31,416	Payne, Bill	\$62,832
Bruseker, Frank	\$31,416	Horsman, Jim	\$62,832	Roberts, William	\$41,888
Calawasen, Pearl	\$31,416	Hyland, Alan	\$62,832	Rostad, Ken	\$41,888
Cardinal, Mike	\$31,416	Isley, Ernie	\$62,832	Schumacher, Stan	\$41,888
Carter, David	\$62,832	Johnston, Dick	\$62,832	Severtson, Gary	\$31,416
Cherry, Doug	\$41,888	Jonson, Halvar	\$62,832	Shrake, Gordon	\$62,832
Chivers, Barry	\$31,416	Klein, Ralph	\$31,416	Sigurdson, Tom	\$41,888
Chumir, Sheldon	\$41,888	Kowalski, Ken	\$62,832	Sparrow, Don	\$62,832
Clegg, Greg	\$41,888	Laing, Bonnie	\$31,416	Speaker, Ray	\$62,832
Day, Stockwell	\$41,888	Laing, Marie	\$41,888	Stewart, Fred	\$41,888
Decore, Lawrence	\$31,416	Lund, Ty	\$31,416	Tannas, Don	\$31,416
Dinning, Jim	\$41,888	Main, Doug	\$31,416	Taylor, Nick	\$41,888
Doyle, Jerry	\$31,416	Martin, Ray	\$62,832	Thurber, Tom	\$31,416
Drobot, John	\$62,832	McClellan, Shirley	\$31,416	Trynchy, Peter	\$62,832
Elliot, Charles	\$62,832	McCoy, Elaine	\$41,888	Weiss, Norman	\$62,832
Elzinga, Peter	\$41,888	McEachern, Alex	\$41,888	West, Steve	\$41,888
Evans, Brian	\$31,416	McInnis, John	\$31,416	Wickman, Percy	\$31,416
Ewasuk, Ed	\$41,888	Mirosh, Dianne	\$41,888	Woloshyn, Stan	\$31,416
Fischer, Bob	\$62,832	Mitchell, Grant	\$41,888	Zarusky, Steve	\$41,888
Fjorbotten, Leroy	\$62,832	Mjolsness, Christie	\$41,888		

<sup>1</sup> These calculations are based on the following assumptions:

a) that the average annual increase in pay of MLAs will be 3%; b) that the sitting MLAs will either quit, or be defeated at the time of the next election; c) that the current mandate of the government will go a full five years; d) that, should the legislature change prior to a full five years of the current mandate, the payouts will change, but only in a few cases. In such a scenario, members who sat for six years or less will receive \$31,416; Members who sat 12 years or longer will receive \$62,832. In cases in which Members sat less than twelve years, but more than six, they will receive an amount equal to the years they spent in the Legislature times \$5,236.

<sup>2</sup> Members Allowances Amendment Order #3, MSC 8/88, reads in part:

*Where a member resigns from office as a Member, or an ex-Member chooses not to contest or is not elected in an election immediately following a period of service as a Member, the Member or ex-Member shall receive a re-establishment allowance in the amount of one month's indemnity allowance and one month's expense allowance, at the highest level attained multiplied by the years or part years of service as a Member ...*

# nd What Are They Up To?

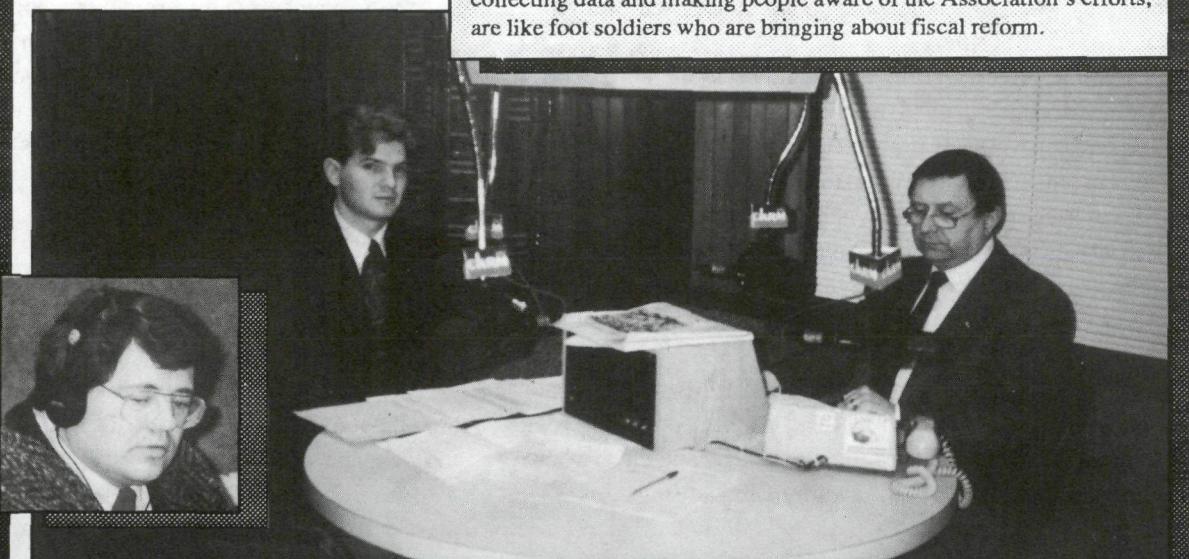
**O**ver the past two years, the Taxpayers have successfully brought the issues of runaway government spending, waste, taxation, and borrowing, to public attention, helping to firmly establish these issues on the political agenda. In Saskatchewan, the Taxpayers efforts were directly responsible for the cancellation of the province's "Future Corporation" which turned out to be an example of flagrant vote-buying. Freedom of information and balanced budget laws have become political priorities in Saskatchewan and Alberta, and may be introduced before the next provincial elections. Severance packages for politicians were eliminated in Saskatchewan as a result of the Taxpayers information campaign, and now the Association of Alberta Taxpayers has released information about a similar plan in Alberta.

Week-by-week, The Canadian Federation of National and Provincial Taxpayers, through its provincial affiliates, steadily adds hundreds of new supporters. Clearly, the Taxpayers is becoming a force for constructive change across the country.



## Face-to-face contact with taxpayers:

Wayne Mitchell (left) and Pius Thome (right) are both members of the Federation's field operation. Alberta president, Bob Matheson, says the men and women the Federation has working in the field collecting data and making people aware of the Association's efforts, are like foot soldiers who are bringing about fiscal reform.



## Talk-shows spark discussion on government policy and spending

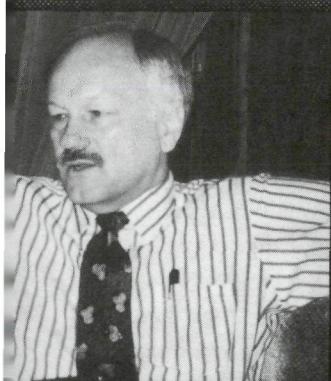
Over the past 18 months, Association representatives were featured guests over a dozen times on radio talk shows throughout the country. "We did interviews on GST, Freedom of Information, severance packages, government spending, privatization, and the budget," says Robert Petruic. Robert (left), a research officer with the Federation, is shown above with Lorne Haresen (right). Insert is Kevin Avram, National Co-ordinator, on the air.



## One reads:

*"forthwith enact a law under which all federal revenues must be spent on expenditures until the budget is*

lawyer (QC) and president of the Taxpayers, is one of the driving forces behind the Taxpayers. He is a former Edmonton Alderman and a Director of the Alberta Provincial Taxpayers.



## world-wide:

Provincial Taxpayers, Norman New Zealand. Douglas was a member of the government which introduced



## Talk-shows spark discussion on government policy and spending

Over the past 18 months, Association representatives were featured guests over a dozen times on radio talk shows throughout the country. "We did interviews on GST, Freedom of Information, severance packages, government spending, privatization, and the budget," says Robert Petruic. Robert (left), a research officer with the Federation, is shown above with Lorne Haresen (right). Insert is Kevin Avram, National Co-ordinator, on the air.

**Canadian Federation Comment — Kevin Avram****Severance Pay in Alberta**

On March 25th, the Association of Alberta Taxpayers released a study on the severance packages of Alberta MLAs. The study, conducted largely by Research Associate Gail Radford-Ross, along with input from the Canadian Taxpayers Federation, is a clear and striking example of largesse on the part of our politicians.

Radford-Ross was studying the pay, pensions, perks, and other benefits for MLAs, when she came across something called "re-establishment allowances". In the past, it had always been said that while other provinces had severance pay for politicians, no such practice existed in Alberta.

To everyone's surprise however, the Association of Alberta Taxpayers discovered that Alberta's politicians have had severance packages since 1988. What's more, is that twenty MLAs have already received them!

After the last provincial election, nineteen people who were defeated or quit, collected a total of \$673,935 in severance pay. Former Deputy Premier Dave Russell retired with a \$44,322 handshake, James Heron, who sat for three years left with \$22,161, and Dr. Ian Reid collected \$36,996 when he was defeated. The twentieth person to receive the package was Brian Downey, when he gave up his Stettler seat so Premier Getty could run safely.

As the Alberta political severance system exists now, sitting MLAs will receive anywhere between \$31,000 and \$62,000 in severance allowance. Those numbers are calculations based on the assumption that pay hikes will average only 3% between now and 1994, and that the current government will go a full five years before they call the next election. If the annual pay hikes are higher than 3%, dozens of politicians could receive more than \$70,000 if they should quit or be defeated at the next election.

Probably the most surprising part of this whole story, is that nobody seemed to know these packages existed. Many senior media people, government watchers and those who are politically active were not aware of the severance arrangement.

How did the politicians get such a policy through without anyone knowing? Bob Matheson, the president of the Association of Alberta Taxpayers says, "It would seem to me that the only time politicians are able to agree on anything, is when they're silently picking the pockets of Alberta's taxpayers". What Matheson was referring to, is the fact that the severance package was never debated in the legislature. It seems the Member Services Committee of the legislature (which is made

up of all parties) simply decided that they, and their colleagues, should have a reward package if they get kicked out of office, or if they quit.

Matheson says of the packages, "They're unnecessary, unwarranted, and unfair. Albertans are getting tired of watching politicians grabbing at all the benefits and advantages they can get".

Matheson also sees other problems connected with the issue. "We are getting professional politicians rather than those dedicated to public service," he says, "We should want people with a wealth of experience, who have met challenges in the real world, and want to contribute back through the public service. We don't want people [who are] looking for benefits".

*(continued from page 7)*

**Up in arms**

ance pay of an estimated \$31,416.

The Saskatchewan government recently dumped a similar program after a furore that erupted when longtime MLA and cabinet minister Eric Berntson was appointed to the Senate and pocketed fat severance pay and retirement benefits.

Opposition Leader Ray Martin says he agrees with the concept of MLA severance pay. But he says Alberta's pay scale may be too generous. His caucus is considering the issue but hasn't taken a stand on it.

He said he wasn't planning to retire or be defeated so he hasn't looked at the package too closely. But on being told he could collect \$62,832 in 1994 he said it's too much.

"If there's a package there should be a definite limit on the amount of money that can be collected. The package may be too rich," he says.

"Severance pay for anybody in the public sector or the private sector is intended to give a limited time to look for something else."

"But what's happening now is an abuse where people move from one level of government to another. Here in Alberta you have MLAs who get these severance packages and then get various jobs within government boards and so on."

"There's nothing wrong with that in a strict legal sense, but I think it's leading to a cynicism and I think we should take a real look at it."

***High Finance — Morley Leonard Evans***

## Don't Worry, We've Got Assets

I have an acquaintance, Joe, who ran into a financial problem a while back. He had a monthly income of \$3,000, from which \$1,000 went to pay his income tax, CPP and UIC. This left him with a net disposable income of \$2,000.

Now as it happens, he had purchased a house for \$120,000 a few years ago when he was making more money than now. His monthly mortgage payment was \$1,000, which left him with \$1,000 to spend on his family. He and his wife each had a car. The payments on the cars each cost \$200 a month. That left him with \$600. The groceries to feed himself, his wife, and his three children gobbled up what was left.

This left nothing to buy clothes for the kids, or gasoline and repairs for the cars. He also had no money left to pay for licence plates, or natural gas or electricity for the house, or insurance payments. His wife was getting uneasy because there was no money for dining out, or for new things for her wardrobe. The kids had to be taken out of hockey school and music class.

But Joe wasn't worried. "I have assets," he said. "The house is worth more than I paid for it. We still have the cars. We have our clothes, our furniture and the appliances too. Then there's my RSP and the insurance. Our assets are worth more than our liabilities, so we're not broke", he went on. "There really is no problem. I can cover our monthly shortfall by putting some of our expenses onto our Visa cards. I can borrow some from the bank as well."

Now after a few months, Joe started getting overdue notices from Visa, so he put a cash advance through on his Master Card. Pretty soon though, Master Card and Visa were both after him. So was Imperial Oil, and Eatons. Then, the bank called him in. The bank manager was very

interested when Joe showed him he had more assets than liabilities, but the bank manager couldn't agree that Joe didn't have a problem.

Can you guess what happened? Well, Joe started selling off some of his assets and cutting his expenses to match his income. He was surprised how much better everything seemed when he got his spending in line with his income. His wife and kids seem happier too, even though they now live in a smaller house.

On February 26, Finance Minister Michael Wilson introduced his seventh Budget since the Mulroney government was elected in 1984. According to *Canadian Press*, the Finance Minister hinted in advance that his promise to cut the annual \$30 billion deficit would have to wait until the economy recovers from recession.

Mr. Wilson suggested that once the "one-time-only" costs related to the weak economy, to high interest rates, and to the bail-out of prairie farmers were behind us, the government could get down to business and deal with the deficit and the \$380 billion national debt.

Interest charges on the national debt now eat up 40 cents of every tax dollar the federal government collects. This puts the Finance Minister in a tight spot. It's difficult to respond to demands for increased government spending as economic conditions worsen. Even the GST tax windfall that is now expected by Revenue Minister Otto Jelinek, may not be enough to rescue the Finance Minister from his dilemma.

No one in the federal government seems to know what to do. Maybe they should talk to Joe, or to his banker.

### ***A true Canadian speaks out***

I want a strong national railway. I want a strong national airline. I want a strong CBC. I want nurses to be paid what they deserve. I want money given to fight AIDS.

I want our roads to be the nicest in the world, at least nicer than the ones in the United States. I want the environment protected. I want the immigrants who come to Canada to be provided with the needed assistance.

I want our senior citizens to have adequate pensions. I want there to be affordable housing for everyone. I want

employment equity programs to be put in place so women are treated fairly. I want our natives to be given more choices than the so very few they have now.

I want more money put in the economy during slow periods to lessen suffering. I want our universities to get more money so they can build adequate facilities and so we can pay to keep some of the world's best teachers.

I want it all, all of it.

*But don't you dare ask me to pay for any of it.* I guess this is part of what makes me a Canadian.

*- Naeem Siddiq, in a letter to the Toronto Star.*

### A word from a politician

## Politicians Can't Meet All Demands

**Derrick Kimball, Member of the Nova Scotia Legislative Assembly**

We must broaden our on-going processes of public consultation and then ensure that the people know the results of their input. We must be prepared to institutionalize mechanisms for participatory democracy.

I am absolutely convinced that the days of government hand-outs and bailouts for fledgling industries and small businesses is quickly coming to an end. We simply cannot afford it, it is unfair in its application and more importantly it may not be yielding its intended result.

We must re-examine the philosophy of government which provides support to some businesses and not to others. We must recognize the tremendous adverse impact that government deficits and accumulated public debt have on interest rates.

## Letters   Letters   Letters   Letters   Letters   Letters

### The Editor:

Your good works will continue to be required beyond the present crisis. What may be interesting and productive is to develop "Laws of Taxation". That is, principles which can permit everyone to understand when governments are going off the track or deviating from their professed intentions. Parkinson's Second Law states: "Expenditure rises to meet income". This is an observation based on everyday experience, and is as obvious as it is simple. We need to pay attention to such pearls of wisdom when considering tax questions.

We also need more understanding of the nature of taxation. Who in college ever studied the history of taxation, or the sociology of it, or the psychology of it? Yet, in the real world, taxation is eating up over half our labours, all of our wealth, and also our future labours and future wealth. Parkinson describes taxes as falling into two broad categories: those that people impose onto themselves, and those they inflict upon others. While some efforts are made "to keep the former to the minimum consistent with the objects in view, there is nothing to prevent the latter reaching (and often exceeding) the limit of the victim's willingness to pay."

We could use a *Taxpayer's Bill of Rights* to set limits on the timing, the amount, and the proportion of taxation! We do not need the milk-toast rights enunciated by Revenue Canada. We need real protection from spendthrift governments. Normal people are reluctant to pay any taxes, of any

proportion, at any time, but they accept that some form of taxation is inevitable and customary. Under the British tradition, no limit was imposed and this failure makes us blind to the oppression that taxation creates. Normal people rebel at oppression and they denounce it everywhere. But oppression created by taxation exists right here and now and we seem powerless to keep the monster under control.

Will we ever convince our governments that there is a spending limit beyond which they cannot go? No sooner do some of them start to babble about fiscal responsibility than others create a "crisis" that seems to require yet more spending. When do we turn the question around from: *What do the people need?* to *What can we afford?* The standard of taxation should be just that —What can we afford? To keep the spendthrifts from going overboard, we certainly need more open government (Freedom of Information) as well as strong measures to ensure that limits are not exceeded.

Anyone who has read Walter Stewart's book, *Uneasy Lies the Head*, knows that whenever government becomes involved in business enterprise, it becomes a total screw-up and a complete waste of the taxpayer's money.

Keep up the good work and increase the pressure. Hopefully, Mr. Wilson, in Ottawa, keeps sniffing around the message. The message cannot go out hard enough, or often enough, and I don't agree with those who insist we need concrete proposals at this time for change to occur. Mr. Eisler [Southam News] is all wet; we need to see a willingness to change before we see proposals for change.

- David MacKay, Attorney at Law

**Letters Letters Letters Letters Letters Letters****Ladies and Gentlemen:**

More people than ever are wondering what has gone wrong with our economy. I would suggest to them that although we have been among the richest nations in the world for most of our history, over the last thirty years we have constantly spent more than we have paid for. Over 50% of our GNP is publicly financed.

We have more tax-consumers than producers and the Party that promises the most is elected to power. If our politicians provided the electorate with realistic and factual alternatives we would have no one to blame but ourselves. But we have not been presented with such alternatives. To make matters worse, a great many tax-consumers continue to ignore all warning signs and go on thinking they can get more out of government than they pay in. As I've stated many times before, we must change our attitude and start doing something right now, if we are to avert a sudden collapse. The total public and private debt in Canada is now five times total annual earnings. We need to seriously consider the following points:

1) Prior to an election, all Parties should be compelled to sign a legally binding declaration of intent that would cover the term of office they are seeking. Once a Party is elected, the courts should be empowered to bar anyone from seeking office again if he is responsible for breaking this covenant.

2) Every constituency should nominate only those candidates who sign a legal declaration that they will only run for two terms, unless there is documented proof that they were responsible for either reducing public spending or cutting their own expense allowance during their tenure.

3) Payments to individuals should be made by the lowest level of government, since these governments are familiar

with local conditions and with any incentives that might leave savings in the community that would provide for job creation.

4) Unaffordable universal programs should be terminated in favour of programs targeted to exclusively help people in need. This should include payments to farmers. They should be encouraged to reduce production of those commodities for which there is little prospect of a better market.

5) Taxpayers should write or talk to their politicians and make it clear to them that they do not have a mandate to pay interest on the billions of dollars in farm loans lent by institutions that were quite happy to take land as security. If the banks can digest billions of defaulted Latin American loans, they can surely live with secured, but non-performing loans, in their own country, at least for a while.

Only after we Canadians have accepted the fact that we have *already* slipped from a first world economy—and begin to act appropriately—can we hope for a better future for Canada.

Ed Spangel, A.A.C.I., F.R.I.

### **1,000 Privatizations**

The Treuhandanstalt privatization agency, charged with selling off former state-owned enterprises in eastern Germany, has sold 1,000 of the 8,000 businesses.

Birgit Breuel, an agency board member, told the Suddeutsche Zeitung newspaper that the agency's work had so far been successful, with 500 more businesses expected to go soon, but added that the pace of privatizations might now slow.

**You cannot bring about prosperity by discouraging thrift.  
You cannot strengthen the weak by weakening the strong.  
You cannot help little men by tearing down big men.  
You cannot help the wage earner by pulling down the wage payer.  
You cannot further the brotherhood of man by encouraging class hatred.  
You cannot help the poor by destroying the rich.  
You cannot establish sound security on borrowed money.  
You cannot keep out of trouble by spending more than you earn.  
You cannot help men permanently by doing for them what they could do and should do for themselves.**

**- Abraham Lincoln**

## National Affairs

# Premier Bourassa's Proposal for Canada

*The following outline of the recommendations of Premier Robert Bourassa's "Allaire" report was excerpted from the cover story of the February 18, 1991 issue of Maclean's magazine. The article, entitled "The Choice Facing Canada", was written by Chris Wood, with John DeMont, Paul Kahl, Donna Korchinski, and Hal Quinn, and is reprinted with permission of Maclean's magazine.*

... "The rest of Canada will have to meet Quebec's demands for almost unlimited freedom to run its own affairs by autumn of 1992, Bourassa announced, or face a referendum on separation, which Quebecers would likely approve overwhelmingly.

"For many in English Canada, the two alternatives envisioned by Bourassa appear equally unappealing. On the one hand: keep Quebec on the Canadian map—at the cost of reducing the national government to little more than a force of border guards and a central bank. On the other: preserve Canada, with its national powers intact—but without Quebec."...

... "Outside Quebec, however, Mulroney's mission will be far more difficult, and perhaps impossible. The reasons have as much to do with personality and constitutional process as they do with principle. For one thing, there is much doubt about how many Canadians want Mulroney to act for them in constitutional negotiations with Quebec. Outside of that province, notes Gallup pollster Lorne Bozinoff, Mulroney's credibility 'is tied with Fidel Castro, but higher than Saddam Hussein.' There is also an issue of process: whether or not Mulroney can win the necessary support for a compromise from all 10 of the provinces in less than 23 months—the maximum time available under Bourassa's new deadline."...

... "One thing is clear: few Canadians would recognize the country outlined by Bourassa and his committee. Unamended, the Quebec proposals would leave the federal government in full control of little more than the country's borders, its currency and repayments on the national debt. Ottawa would be permitted to raise money from customs fees and tariffs to fund the armed forces. It would continue to manage the Canadian dollar through the Bank of Can-

ada—although Quebec would have its own representatives on the bank's board of directors. As well, Ottawa would be expected to manage the continuing transfer of equalization payments from one region of the country to another. But Quebec would shift the focus of those payments away from helping the poorer provinces keep social services up to national standards, and towards "improving the conditions for production"—by contributing to the costs of facilities, such as roads and bridges.

"In other areas, Bourassa's committee would strip the government of Canada of virtually every independent function that it now controls. In a handful of areas, Ottawa would still act in co-operation with the provinces or be subject to

provincial veto. Ottawa would continue to control the Criminal Code, for one thing. But the Canadian Charter of Rights and Freedoms would have no effect inside Quebec, and Quebecers would have no right of appeal to the Supreme Court of Canada. The federal government would retain a vestigial ability to conduct a Canadian foreign policy, but its decisions would have to be ratified by the legislatures of Quebec and the other provinces.

"At the same time, Quebec would reserve its own right to conduct international diplomacy unfettered by federal constraints. In all, 22 specific powers would fall under 'exclusive Quebec authority.' ... In principle, federal powers "should be as limited as possible," they declare, and any authority not explicitly delegated to Ottawa would belong to Quebec.

"Those proposals clearly have wide support among Quebecers—as a minimum. Current polls in the province show almost 70-per-cent backing for full sovereignty. Many Quebecers appear to be convinced that Quebec needs at least sweeping new powers to achieve its social, cultural and economic goals."...

... "The country envisaged by Bourassa and his committee has no place for the CBC, a uniform national health plan, the Museum of Civilization or even a national Olympic team. There is no provision for family allowance cheques, a national unemployment insurance scheme, a Canadian policy on the environment, or federal support for linguistic (or any other) minorities."...

**"Canadians  
have less than  
two years to  
decide if their  
country has a  
future."**

***Clear Definitions — Morley Leonard Evans***

## **Who is Living Beyond Their Means?**

In "Plastic, As Good As Gold", the September edition of *Readers Digest* tells us that Canadians owe \$9.3 billion, or about \$350 per person on credit cards. It works out to almost four times what Canadians owed on plastic only a few years ago. Some say this is an alarming increase, and at a quick glance these figures appear to support the notion that we're living beyond our means.

It seems that we Canadians are constantly being chastised for living beyond our means. We're told that if we are to avoid disaster, we must lower our expectations. The pundits, prognosticators, and politicians say if we fail to reform our irresponsible ways, we face retribution and perhaps even another Great Depression. According to them, our excesses will be our down-fall.

But, is this really true? Are Canadians really irresponsible?

Although the credit card debt incurred by individual Canadians is \$9.3 billion, the debt incurred by federal politicians is \$351.6 billion. Every Canadian may owe \$350 on credit cards, but our federal politicians have borrowed \$13,262 in the name of every Canadian. Worse yet, the federal government plans to continue borrowing even more money! In five years, the federal debt will be close to half a trillion dollars.

In Alberta, the total government debt is over \$20 billion dollars. In Saskatchewan, it's \$12 billion. In Manitoba it's another \$12 billion. That's more money borrowed in the name of the citizens of these provinces, by each government, than all the credit card debt that all twenty-six million Cana-

dians have chosen to assume for themselves.

If we indiscriminately lump together all debt in Canada, it presents us with a disturbing picture—one that seems to support the idea that we are living beyond our means. But, if we separate debt that we have chosen to assume ourselves, from debt that politicians have saddled us with, we discover that a huge amount of our debt has been created by others, by politicians.

Although it's true that some Canadians carry more debt than they can afford, most of us don't. We can conclude, then, that we are not the big debtors some have portrayed us as being. In fact, fully one half of us pay off our credit cards in full every month and thus do not even have to pay interest charges on our credit card accounts!

Comforting as that knowledge may be, an even more disturbing image comes to mind. While most Canadians seem to be quite responsible, the custodians of the public interest—the politicians, public interest coalitions, and bureaucrats—are responsible for incurring an enormous political debt that the rest of us must repay.

Adam Smith wrote in *The Wealth of Nations*, "It is the highest presumption, in Kings and Ministers, to pretend to watch over the economy of private people. They are always, and without exception, the greatest spend-thrifts in society." Seems that Smith's words are as true today as when he wrote them over 200 years ago.

We Canadians must begin to exercise some restraint on the real spend-thrifts in Canada, just as our own creditors exert a restraint on us and we exercise restraint on ourselves.

### ***A Political Position***

"A politician these days has to sit on the fence and keep both ears to the ground." - Allan Lamport, former mayor of Toronto (1952-1954)

### ***Award Winner***

We must faithfully retain our hatred of Canada... Everything that weakens and humiliates Canada... must make us rejoice. It is up to us to see that the word "Canada" (what a sickening conglomeration of syllables don't you think?) becomes in all countries a synonym for placid studiety. - From *La Petite Noirceur* by Jean Larose, winner of the 1990 Governor-General's Award for French-language non-fiction, as quoted in *The Financial Post*.

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